

**OSTER RESEARCHING SERVICES**

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RECORDATION NO. 29669 FILED

March 2, 2011

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**SURFACE TRANSPORTATION BOARD**

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recording with the Surface Transportation Board are one original and one counterpart of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code:

**Memorandum of Security Agreement 3/1/11**

**Secured Party:** Wells Fargo Equipment Finance, Inc.  
733 Marquette Avenue  
Minneapolis, MN 55402

**Debtor:** Northern Plains Railroad, Inc.  
100 Railroad Avenue  
Fordville, ND 58231

**Equipment:** 2, Used GP9U Locomotives  
JLCX 1510, 1520

10, Railcars  
OSNX 1011-1020

Please record this agreement as a primary document. The filing fee of \$41 is enclosed.  
Thank you.

Sincerely,



Mary Ann Oster  
Research Consultant

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SURFACE TRANSPORTATION BOARD

WELLS  
FARGO

# Memorandum of Security Agreement

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC N9306-070 | Minneapolis, MN 55402

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 1<sup>st</sup> day of March, 2011, by and between Northern Plains Railroad, Inc., a North Dakota corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC., a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of March 1, 2011 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated March 1, 2011 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Two (2) Used Locomotives (Ten (10) Railcars with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WELLS FARGO EQUIPMENT FINANCE, INC.

By: Peter J. Naas

Title: Peter J. Naas  
**Sr. Contract Administrator**

Northern Plains Railroad, Inc.

By: [Signature]

Title: VPO/CSO

# Schedule A

Wells Fargo Equipment Finance, Inc. | 733 Marquette Avenue, Suite 700 | MAC Ng306-070 | Minneapolis, MN 55402

Contract Number 218533-705 dated as of March 1, 2011

Debtor/Borrower: Northern Plains Railroad, Inc.

Equipment Description: Rail Car Equipment together with all attachments and accessories as further described below:

Vendor	Invoice	Quantity	Description
584109 B.C. LTD DBA J&L Consulting	Sales Agreement dated 2.16.11	Two (2)	Used Locomotives Road #JLCK 1510 GP9U and JLCK 1520 GP9U
Danabrock Farmers Coop elevator	301	Ten (10)	Rail Cars (OSNX1011- OSNX1020)

Equipment originally located at: 100 Railroad Drive, Fordville, ND 58231

Dated: March 1, 2011

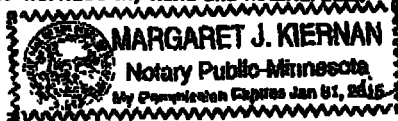
Debtor/Borrower: Northern Plains Railroad, Inc.

*[Signature]*  
By *[Signature]*  
Title

STATE OF Minnesota  
COUNTY OF Hennepin

On this 2nd day of March, 2011, before me, a Notary Public of the City and State aforesaid, personally appeared Peter S. Neas, to me personally known, who being by me duly sworn, says that he is the Sec. Contrast Admin of Wells Fargo Equi and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal,



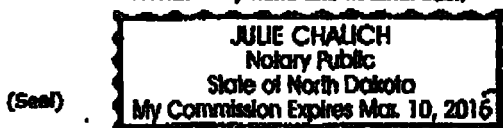
Margaret J. Kiernan  
Notary Public

My commission expires:

STATE OF North Dakota  
COUNTY OF Walsh

On this 1st day of March, 2011, before me a Notary Public of the City and State aforesaid, personally appeared Larry J. Neas, to me personally known who being by me duly sworn, says that (he/she) is a VPCOO of North Plains Railway and that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal,



Julie Chalich  
Notary Public

My commission expires:

March 10, 2015